PLANNING COMMISSION REPORT



MEETING DATE: June 14, 2006 ITEM No. _____ GOAL: Coordinate Planning to Balance Infrastructure

SUBJECT

Salty Senorita - 5-UP-2006

REQUEST

Request to approve a conditional use permit for a bar in an existing building located at 3636 N. Scottsdale Road with Downtown/Office Commercial District, Downtown Overlay (D/OC DO) zoning.

Key Items for Consideration:

- Proposed Stipulations on the use permit
- Potential impacts on the daytime uses in the area
- Character of the neighborhood
- Parking Requirements

Related Policies, References:

Zoning Ordinance; Downtown Plan

OWNER

Win Properties 203-861-7788

APPLICANT CONTACT

Nicholas Guttilla Guttilla & Murphy 623-937-2795

LOCATION

3636 N. Scottsdale Road

BACKGROUND

Zoning.

The site is zoned Downtown Office Commercial, Type 2 Downtown Overlay (D OC-2 / DO). The D OC – 2 /DO zoning district allows for a range of commercial retail uses, and includes bars, subject to approval of a conditional use permit.

Context.

This property is located on the western side of Scottsdale Road, north of the Goldwater couplet, and south of Second Street.

Adjacent Zoning/Uses:

- North Retail uses in the Highway Commercial / Downtown Overlay (C-3/DO) Zone
- South Restaurant use (Oregano's) in the Highway Commercial / Downtown Overlay (C-3/DO) Zone
- East Hospital use in the Downtown Medical Type 2 / Downtown Overlay (D / M-2 PBD /DO) Zone



• West Varying retail and commercial office uses in the Highway Commercial / Downtown Overlay (C-3/DO) Zone

APPLICANT'S PROPOSAL

Goal/Purpose of Request.

The applicant is requesting approval of a bar use permit at an existing restaurant location at 3636 North Scottsdale Road. Under City Zoning Ordinance provisions, there are six criteria which define an establishment as a bar; one of which is when an establishment derives less than 40% of gross revenues from food sales. This corresponds with state law. The applicant has indicated to City Staff that they sell generally between 30% and 40% food, and therefore require a City use permit in order to continue to operate.

The establishment has been in operation for several years, and pre-dates the requirement for a use permit. However, the applicant held a State Series 12 liquor license, which is indicative of a restaurant use. As such, the City considers this establishment to be a restaurant, until a valid use permit has been approved by the City.

Development information.

Parking Provided:

•	Existing Use:	Restaurant
•	Proposed Use:	Bar
•	Building Size:	4,880 Square Feet (Indoor)
		1,354 Square Feet (Patio)
•	Parcel Size:	33,840 Square Feet (0.78 Acres)
•	Max Floor Area Ratio:	0.8
•	Existing Floor Area Ratio:	0.15 (No change Proposed)
•	Parking Required:	67

IMPACT ANALYSIS

Traffic.

The City's transportation division has reviewed this application, and there will not be any noticeable impact in terms of traffic as result of this request.

67 (See analysis below)

Parking.

67 spaces are required, 67 are provided. The adjacent parking lot provides 59 parking stalls, and the applicant has agreed to utilize the southerly drive aisle for valet parking of the additional 8 required parking stalls.

Water/Sewer.

No new water or sewer impacts will result due to this application.

Police.

Adherence to the proposed Security and Maintenance plan will ensure proper safety for the patrons and surrounding environment. The information below represents the Police Department data over the past 12 months (May 2005 to May 2006).

HISTORY OF PAST LIQUOR LICENSE VIOLATIONS:

During the past 12 months, there have been 5 liquor violations (3 minor consumption, 1 public consumption 1 DUI associated with the address.)

CALLS FOR SERVICE:

During the period of May 2005 through May 2006, there were 54 calls for service (CFS) at Salty Seniorita.

Departmental Reports:

During this period, there were 19 departmental reports (DR's) taken using the address of Salty Seniorita. The reports are as follows:

- 3 burglary from vehicles
- 4 theft reports
- 1 burglary
- 1 traffic accident
- 1 assault
- 1 impound
- 1 medical call
- 1 auto theft
- 1 fraud

Code Enforcement.

During the period of May 2005 to May 2006, there were 3 complaints made against the subject property. They are:

- 5/29/05 complaint of illegal a-frame sign--violation corrected.
- 10/17/05 complaint of illegal a-frame sign--violation corrected.
- 3/4/06 complaint of illegal banner--violation corrected.

All of the above issues were resolved by communication with the business operators without the need to issue a Notice of Violation or Citation.

Policy Implications.

The adoption of the bar conditional use permit process in August 2003 indicated a policy shift towards more strictly regulating bars in the City of Scottsdale. The concern stemmed from 1) a desire to have greater control over local land use issues than was possible at that time under State statute with regard to bars; 2) the impact (total number) of bars in the Downtown, and relative proximity of those establishments to each other; and 3) the management of, and negative effects created by, bar establishments.

The City has approved three Conditional Use Permits in the Downtown area since the requirement for a use permit was established in the Zoning Ordinance; at E4 (Goldwater north of 3rd Ave.), Drinx (Wells Fargo and Stetson Avenues) and Jamaican Blue (Scottsdale Rd. & 1st); a 4th, NEXT, is currently pending before the City Council, and two other existing restaurants (Loco Patron & Blue Agave) have just recently applied for bar use permits.

The use permit process requires all potential "bar" owners to submit an application for a use permit, which requires public hearings before both the Planning Commission and City Council. This public hearing process requires applicants to submit and be stipulated to a Security and Maintenance Plan and appropriate conditions of approval which help protect the public health, safety, and welfare.

At the time of the adoption of the ordinance requiring use permits for bars, the subject establishment was operating with a State Series 12 liquor license. Under the provisions of the City's zoning ordinance, the operational characteristics usually associated with this state liquor license are generally associated with a restaurant. Recently the applicant approached the City and wished to secure a use permit, acknowledging that the establishment was not meeting the minimum food sales criteria outlined in both the City's zoning ordinance and State regulations. Since that time, the applicant has worked with the staff to address any concerns regarding the potential negative effects of the bar use at this location. The proposed Security and Maintenance Plan has been approved by the City Police Department.

Series 6 Licenses in the Downtown

There has been discussion in the past at many public meetings about the proliferation of State Series 6 liquor licenses in the Downtown area. This discussion is germane to the proposed Use Permit being applied for in this application. Staff researched the Downtown area as a whole, and the immediately surrounding area for the proposed business. The following are the results:

- In the Downtown area, for the period from April 24, 2003, to April 25, 2006, there was a net decrease in State Series 6 licenses from 34 total to 30 (net decrease = 4).
- In the area bounded by Indian School Road, Goldwater Blvd., and Scottsdale Road (During the same time period), there has been no net change in State Series 6 licenses (3 in 2003 and 3 in 2006 If approved Salty Senorita would be the 4th in this sub-area).

Use Permit Criteria.

Conditional use permits, which may be revocable, conditional, or valid for a specified time period, may be granted only when expressly permitted after the Planning Commission has made a recommendation and the City Council has found as follows:

- A. That the granting of such conditional use permit will not be materially detrimental to the public health, safety or welfare. In reaching this conclusion, the Planning Commission and the City Council's consideration shall include, but not be limited to, the following factors:
 - 1. Damage or nuisance arising from noise, smoke, odor, dust, vibration or illumination.

Staff Analysis:

There will not be any damage or nuisance arising from these factors. The establishment has been in operation for some time, and the City will not experience an increase in impacts as a result of this application. Additionally, the applicant will be stipulated to the Draft Security and Maintenance Plan (provided as attachment 6 to this report). This will help to ensure that these types of impacts are not prevalent at this site.

2. Impact on surrounding areas resulting from an unusual volume or character of traffic.

Staff Analysis:

The applicant is proposing to be open during the daytime, opening daily at 11 AM and closing at 2 AM. These are the same business hours which the operation currently operates. As such, there will not be any impacts in terms of unusual volumes or characteristics of traffic.

3. There are no other factors associated with this project that will be materially detrimental to the public.

Staff Analysis:

There is nothing unusual about the proposed operation at this location. This use is contemplated in the zone district, subject to conditional use permit. This process was instituted so that the appropriate City Commission (s) and City Council could review the discretionary application and look at the proposed floor plan. There does not appear to be any other factors not previously identified which would be materially detrimental to the public as a result of this application, and continuing to operate with the same floor plan.

B. The characteristics of the proposed conditional use are reasonably compatible with the types of uses permitted in the surrounding areas.

Staff Analysis:

This establishment appears to be substantially similar to other bar/restaurant operations in the Downtown area. Additionally, as a result of this establishment being open during the daytime and serving a full menu of food, the establishment helps create the sense of place that the City's land use policy documents anticipate in this portion of the City.

- C. The additional conditions specified in Section 1.403, as applicable, have been satisfied.
- [C.1] Bars, cocktail lounges, and/or after hours establishments.
- 1. The use shall not disrupt existing balance of daytime and nighttime uses.

Staff Analysis:

The applicant is proposing to continue to be open during the daytime, opening daily at 11 AM. This is consistent with the general direction the City would like with regard to bar uses in the Downtown; i.e., those uses which would not only create a nighttime atmosphere, but which would help invigorate daytime activity.

2. The use shall not disrupt pedestrian-oriented daytime activities.

Staff Analysis:

The existing structure will remain in place. No changes will be made. Being open during the daytime, having a pedestrian oriented patio, and serving a whole menu of food during these hours will help create the type of atmosphere the City is hoping to achieve in the Downtown.

- 3. If the site is located within the downtown overlay district then:
 - a. The use shall not encourage displacement of daytime retail uses unless it can be demonstrated that the proposed use shall promote diversity of first floor uses along the street.
 - b. The required parking for the use shall be within six hundred (600) feet of the property and shall not be separated from the property by a major or minor arterial street.

Staff Analysis:

The use will not discourage any daytime retail uses. The use has been in existence at this location for some time, and serves a full menu of food. This diversity of use (It's only 1 of 2 restaurants on this blockface) will help the surrounding businesses as it provides a lunch alternative and a "reason" to walk down this block.

All required parking would be provided through on site parking. The applicant has 59 parking stalls on their parcel, directly adjacent to their building. The demand for the new "bar" use is 67 parking stalls, and the applicant will provide the balance by utilizing valet parking in the southerly drive aisle.

- 4. If the use is located within five hundred (500) feet of a residential use or district then:
 - a. The use shall not adversely impact residential uses.
 - b. The use shall provide methods of buffering residential uses.

Staff Analysis:

There are very few residential units within 500 feet of this use. This use, as proposed to be conditioned, will not negatively impact those residences; based upon the buffer created by the parking lot, and all openings to the structure facing the opposite direction from where the residential housing is/will be located.

5. An active management and security plan shall be created, approved, implemented, maintained, and enforced for the business.

Staff Analysis:

A draft Security and Maintenance Plan has been submitted and approved by the Police Department and is proposed as a stipulation of the case. It is attached as Attachment #6. This plan will be implemented and enforced by the City's Code Enforcement Division.

6. The applicant shall provide, with the application for a conditional use

permit, a written exterior refuse control plan which must be approved by the planning and development department staff as complying with the written guidelines of the department.

Staff Analysis:

A draft Security and Maintenance Plan has been submitted and is proposed as a stipulation of the case. This plan includes the proposed handling of refuse. This plan will be implemented and enforced by the City's Code Enforcement Division.

7. The applicant shall demonstrate how noise and light generated by the use shall be mitigated.

Staff Analysis:

The application is for a change of use in a pre-existing structure. The issue of noise is addressed in the applicant's Security and Maintenance Plan, which has been approved by the City's Police Department. There is no proposed change to the exterior lighting of the structure.

8. The applicant shall demonstrate that the use shall meet required parking and shall not exceed capacity for traffic in the area.

Staff Analysis:

The applicant has demonstrated that the new "bar use" will satisfy the parking requirement as a result of the on site parking lot and valet parking. There will not be any additional traffic demand as a result of this proposal.

9. After hours establishments must maintain a valid after hours establishment license.

Staff Analysis:

The applicant is not requesting an after hours establishment permit at this time.

Liquor License Review.

The applicant has applied for a Series 6 liquor license and the request is currently pending before the State approval body. The City of Scottsdale will make a recommendation on this request, which will be forwarded to the State liquor board. This will most likely occur at the same City Council hearing where the use permit is discussed.

Community Involvement.

The applicant mailed out notices to property owners within 750 feet of the proposed establishment. Staff has not received any correspondence regarding this application.

STAFF RECOMMENDATION

Recommended Approach:

Staff recommends approval subject to the attached stipulations. This recommendation is based on the following findings (Analysis provided in this

staff report):

- That the granting of this conditional use permit will not be materially detrimental to the public health, safety or welfare. In reaching this conclusion, the Planning Commission finds that the following has been adequately addressed and mitigated in the proposed application:
 - A. Damage or nuisance arising from noise, smoke, odor, dust, vibration or illumination.
 - B. Impact on the surrounding areas resulting from an unusual volume or character of traffic.
 - C. There are no other factors associated with this project that will be materially detrimental to the public.
- The characteristics of the proposed conditional use are reasonably compatible with the types of uses permitted in the surrounding areas.
- The additional conditions specified in Section 1.403, as applicable, have been satisfied.

RESPONSIBLE DEPT(S)

Planning and Development Services Department

Current Planning Services

STAFF CONTACT(S)

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ATTACHMENTS

- 1. Applicant's Narrative
- 2. Context Aerial
- 2A. Aerial Close-Up
- 3. Land Use Map
- 4. Zoning Map
- 5. Stipulations
- Proposed Security and Maintenance Plan
- 7. Citizen Involvement
- 8. City Notification Map
- 9. Site Plan
- 10. Floor Plan



PROJECT NARRATIVE

For its Project Narrative, in accordance with the requirements of the City of Scottsdale Bar Use Permit Application, Salty Senorita Scottsdale, L.L.C. states as follows:

A. BACKGROUND

1. The Salty Senorita Concept and Its Emphasis on Food

Salty Senorita, a dining concept conceived more than two years prior to its unveiling, is a full-service, sit-down Authentic Mexican Restaurant and Cantina. At all times since its conception, Salty Senorita has been modeled as a restaurant with an emphasis strongly placed on the sale of food. Prior to opening, all aspects of the concept were scrutinized, deliberated and, ultimately, decided upon with the idea of creating a unique establishment anchored by its cuisine. See attached Exhibit 1; Salty Senorita Old Town Concept Breakdown. Thus, it was only natural that Jagger Griffin, Executive Chef of Furio, Salty's sister restaurant located just around the corner and the recipient of numerous awards for its outstanding fare, head up the Salty menu development and kitchen operation. See attached Exhibits 2, 3 and 4; Jagger Griffin Biography, Furio Menu and Furio Awards Page. To gain a better understanding of Mexican fare and to create a menu slightly different from the numerous other Mexican restaurants in town, Jagger trained in Chicago with one of the premiere Mexican chefs in the world, Rick Bayless, owner and operator of the critically acclaimed Frontera Grill. See attached Exhibit 5; Rick Bayless Biography. With the assistance of the entire Frontera Grill culinary team, the Salty Senorita Lunch and Dinner menus were created. See attached Exhibit 6; Salty Senorita Main Menu and \$6.99 Lunch Specials.

Since its opening, Salty Senorita has not lost sight of its goal and has consistently operated as a food-forward, chef-driven establishment. To that end, during the 94 hours of the 102 hours that Salty Senorita is open for business each week, its kitchen, comprised of no less than 21 kitchen employees, is serving food. See attached Exhibit 7; Salty Senorita Kitchen Staff Schedule. In addition to both lunch and dinner service, Salty serves Sunday Brunch, Happy Hour Food Specials as well as Late Night fare on Thursday, Friday and Saturday nights beginning at 11 p.m. See attached Exhibits 8 and 9. For its frequent guests, Salty implements a Lunch Club, whereby repeat diners are rewarded for patronizing Salty by presenting their lunch club card to their server. See attached Exhibit 10; Salty Lunch Club Card. Salty also recognizes its youngest fans by offering a kids' menu, complete with artwork for coloring. See attached Exhibit 11. And, Salty offers catering for parties and corporate events, both in the restaurant and offsite, a

service utilized frequently by Salty patrons. See attached Exhibits 12 and 13; Salty Set Menus and Catering Menu.

To bolster the quality of our food, the Salty kitchen staff is required to undergo extensive training, committing to memory Salty's unique recipes as well as its policies and procedures so as to maintain a top-notch Back of the House operation. See attached Exhibit 14; Salty Senorita Kitchen Training Manual. Their hard work has clearly paid off. In the brief twenty-seven (27) months that Salty has been open, it has received numerous awards, several of which recognize Salty's outstanding food, including Best Mexican Food in Phoenix, by CitySearch.com. See attached Exhibit 15.

2. Salty Senorita's Stellar Service

As all good restaurant operators know, service is just as important as the food served and at Salty Senorita, impeccable service is mandatory. Because of the volume of food and beverage business generated, Salty Senorita must employ a large service staff. Currently, Salty employs 27 servers, 3 food runners and 5 bussers (as opposed to only 10 bartenders and 4 barbacks). See attached Exhibits 16 and 17; Salty Service Staff Schedule and Bartender Schedule. The members of the service staff are put through rigorous training before they are allowed to work the floor at Salty. Each new hire is given a Salty Training Manual and a Rules and Regulations Packet which they must commit to memory. See attached Exhibits 18 and 19. After successfully completing a series of exams testing their knowledge, the staff member is awarded a Certificate of Achievement and shifts to work. See attached Exhibit 20. However, the training (and scrutiny) does not end here. Salty Senorita Management, as further discussed hereinafter, is charged with making sure that service knowledge, professionalism and fundamentals do not lapse with time. Accordingly, staff is constantly evaluated with random spot checks to ensure that service fundamentals, like the adherence to acceptable ticket time and delivery guidelines, are followed. See attached Exhibits 21, 22 and 23; Salty Server Spot-Check Sheets, Ticket Time Guidelines and Delivery Time Checks

3. Anthem Restaurants of America, Inc. and John R. Casale, its President

Anthem Restaurants of America, Inc., by and through its President, John R. Casale (hereinafter Mr. Casale), has been a responsible owner/operator in the Downtown Scottsdale scene since 1994 and, since that time, Mr. Casale and all of the Anthem employees have prided themselves on running quality establishments. See attached Exhibit 24; Anthem Corporate Snapshot. Mr. Casale has been heavily involved in the community and has participated in numerous City committees over the years discussing and addressing issues important to all merchants in Old Town Scottsdale. His reputation as an effective, hard-working, cooperative and uncompromisingly scrupulous business owner and operator has earned him the respect and friendships of numerous other business owners in town, his business neighbors and many staff within the City of Scottsdale, as well as some local prestige. See attached Exhibit 25; Featured Article on

John Casale. He would never do anything to jeopardize his reputation and, as he has done in the past, will continue to work with all city and state agencies to ensure that he is running his businesses without any negative impact whatsoever. Fun, safe and quality dining establishments are a priority to Mr. Casale as can be readily seen in every Anthem venue. Salty Senorita is no exception.

4. Salty Senorita Operations To Date

From day one, Salty Senorita's primary business focus has been on the sale of its food. Each year, the Anthem Restaurants Marketing Department spends a significant amount of its budget on the promotion of lunch, dinner and late night food sales and it will continue to do so. And, our Executive Chef, Jagger Griffin, will continue to participate in all local culinary events which heavily promote our restaurant profile and, of course, food sales. Yet, despite our efforts, Salty Senorita has fallen just shy of the requisite percentage, which would allow it to keep its Series 12 Liquor License. Specifically, 38% of Salty's current annual sales are derived from food, just short of the 40% mark required by the State. Notwithstanding, in 2005 alone, Salty Senorita's food sales were in excess of \$1,200,000.00 and its food purchases totaled nearly \$400,000.00. See attached Exhibit 26; Salty's 2005 Revenue Analysis. Furthermore, Salty's kitchen labor hours totaled over 30,000 with almost \$313,000.00 in labor dollars spent to compensate the kitchen staff. Exhibit 26. Indeed, Salty Senorita is one of Sysco Foods Services of Arizona's largest accounts ranking #103 out of 3,593 accounts Arizona-wide. See attached Exhibit 27, Letter from Sysco's District Sales Manager. In the Scottsdale and Central Phoenix region, by far the busiest restaurant area in the state, Salty ranks in the Top 10 for annual food and food related purchases. Exhibit 27.

Salty Senorita is also a soundly run business. It maintains an extremely low incident to guest ratio with full support from the City of Scottsdale Police Department. Indeed, upon speaking with Lueitenent Tom Henny of the Department to complete the Security and Maintenance plan packet, he stated that he considers Salty Senorita extremely well run and expressed that he wished all establishments were run as well as Salty.

Salty has become a downtown staple where visitors and locals alike of all ages come to take a "mini-vacation." Located at the gateway to Old Town Scottsdale, Salty provides a memorable and exciting Downtown Scottsdale entertainment experience. Indeed, when originally meeting with the City of Scottsdale personnel to decide whether to seek approval expand the existing patio so as to make it more visible from Scottsdale Road, the City supported and even encouraged the patio extension. They (as did we) envisioned a vibrant welcome to Old Town upon seeing Salty's attractive, bustling patio, a sight that greets hundreds even thousands of passers-by each day.

5. Neighborhood Support of the License Change

As a conscientious and courteous business owner, John Casale walked door to door and personally visited and spoke with at length with each of Salty's immediate neighbors to inform them of Salty's Application for a Bar Use Permit and conversion to a Series 6 Liquor License. The outpouring of support he received was overwhelming and unanimously in favor of Salty. Each neighbor offered to help in any way they could proclaiming how much they enjoy Salty Senorita as their neighbor. Indeed, each of those neighbors has voluntarily submitted a letter in full support of Salty's license change. See attached Exhibit 28.

6. Salty Senorita Post-License Change

Notwithstanding a change in the type of license held by Salty Senorita, not one single aspect of Salty's operation and business as a Mexican Restaurant shall change. In fact, Salty's main goal is to continually increase its percentage of food sales to reach the 40% and, ultimately, 45% mark. By taking such steps as implementing a 15% price increase and the hiring of a full-time Director of Catering, among others, it is our sincerely believed that Salty will achieve that goal by summer 2006. See attached Exhibit 29; Steps to be taken to surpass 40% in food sales in 2006.

Further, Anthem Restaurants is growing the Salty Senorita concept aggressively focusing on new locations that are lifestyle communities where quality food and service are the backbones of success, not bar business. Anthem does not want and cannot have inconsistency within the concept and between the venues. Thus, to anyone other than the State, City and the internal Salty Senorita Organization, the issuance of a Bar Use Permit and subsequent conversion from a series 12 to a series 6 license will be unnoticeable and seamless. Salty will continue to be a food forward, chef-driven establishment following our business plan as developed over three years ago.

7. Salty Senorita Meets Only One Criteria For Consideration As A Bar

Of the criteria looked at by the City of Scottsdale when determining whether an establishment is a bar, the **only one that pertains to Salty Senorita is that which requires 40% in food sales**, criteria that Salty fell just short of meeting. Regarding the other criteria:

- * Salty Senorita's bar service area is 10% of the gross floor area;
- * Salty Senorita's kitchen area is 38% of the gross floor area;
- * Age verification is not requested for admittance into Salty Senorita but is required when alcohol is ordered;

- * A cover charge is not required for admittance; and
- * The Salty kitchen is open and serving food until 11 p.m. every night of the week and until 1 a.m. on Thursdays through Sundays.

Salty Senorita has never and will never charge a cover, play amplified live music, card at the door before 9 p.m. or utilize pool tables or any other games so that we never resemble a bar to the detriment of our dining customers and, consequently, food sales.

B. ZONING CODE, SECTION 1.403

Salty Senorita responds to the criteria set forth in Zoning Code, Section 1.403 as follows:

1. The Use Shall Not Disrupt Existing Balance of Daytime and Nighttime Uses.

Located at the southern-most part of Old Town Scottsdale on Scottsdale Road, Salty Senorita and the building within which it is housed is surrounded only by commercial use properties, most of which operate exclusively during the daytime hours. Salty Senorita is open daily from 11 a.m. (10 a.m. on Sundays) serving lunch, dinner and late night food to those employed in the surrounding businesses and beyond, visitors and locals alike until 11 p.m. nightly. These hours of operation will not change with the issuance of a Bar Use Permit. During the day, the flow of Customers to and from Salty occurs as a natural part of the ordinary course of business and is above all else, orderly. Business generated by Salty Senorita's lunch crowd causes no interruption whatsoever to any of Salty's neighbors. Likewise, the nighttime flow of Customer's, while higher in volume, causes no interference with other business activity or recreational activities occurring in the area. Because no aspect of Salty Senorita's business is going to change, the issuance of a Bar Use Permit will not disrupt the existing balance of daytime and nighttime uses.

2. The Use Shall Not Disrupt Pedestrian-Oriented Daytime Activities.

As mentioned-above, Salty Senorita is located at the southern-most tip of Old Town Scottsdale where there exists little to no retail or other pedestrian-oriented daytime activities. In fact, the only pedestrian activity that occurs on or near the Salty Senorita parcel is that of individuals utilizing the Salty Senorita parking lot and walking into the restaurant (or Oregano's Pizza Bistro next door). Thus, the use shall not disrupt pedestrian-oriented activities.

3a. The Use Shall Not Encourage Displacement of Daytime Retail Uses.

Salty Senorita's operation is one that is maintained within its exterior walls and outdoor open-air patio, causing absolutely no interference to neighboring businesses at any time. Currently, there exists little to no daytime retail use that could potentially be displaced by the issuance of a Bar Use Permit. The only retail use which does exist is that of the two art galleries both located to the West of Salty's Main Building and, therefore, completely shielded from sight and sound generated by Salty business. Both of these galleries are wholesale operators with little or no customer walk-in foot traffic. However, even if there existed significant retail uses around the Salty Senorita parcel, the issuance of a Bar Use Permit would not encourage displacement of daytime retail use for the following reasons:

- i. Since the Salty parcel has its own dedicated lot, parking by Salty patrons would not infringe on other businesses, retail or otherwise; and
- As set forth in the Noise Study, which accompanies Salty's application, the only noise generated is ordinary restaurant/bar noise, including idle chatter and laughter.

It is likely that the operation of a successful restaurant/bar business in a highly visible spot right on Scottsdale Road would actually encourage daytime retail use seeking to take advantage of the bustling operations of both Salty Senorita and its neighbor Oregano's.

3b. The Required Parking for the Use Shall Be Within 600 Feet of the Property.

The Salty Parcel has its own massive, private parking lot attached to the business operation, which meets the required parking for the use. <u>Please see the Attached Parking Analysis.</u>

4 a and b. The Use Shall Not Adversely Impact Residential Uses and the Use Shall Provide Methods of Buffering Residential Uses.

There exists minimal residential use within 500 feet of Salty Senorita. Indeed, the only residential use which does exist are apartments/condominiums (approximately 9 units) on Marshall Way, at the furthest point west of the 500 foot parameter and away from the heart of Salty's business. See attached Exhibit 30. Between the restaurant and that small residential zone lies Salty's huge parking lot and Bishop Lane, which houses commercial properties on both sides of the street. Both thereby shield those residences from what little, if any, noise that may emanate from Salty's building and patio. Furthermore, of those 9 condominium units, currently, three are being utilized for commercial purposes. In addition, upon information and belief, some are utilized only as vacation homes. And, of the permanent residents of that residential area, some have

expressed verbally to John Casale upon his personal visits with them that at no time do they hear noise from Salty Senorita.

5. An Active Management and Security Plan Shall Be Created, Approved, Implemented, Maintained and Enforced for the Business.

In addition to complying with the Security and Maintenance Plan attached herewith, Salty Senorita will continue to maintain and enforce internal active management and security plans in place since its inception.

a. Security

All Security Guards are required to read and commit to memory the Employee Policies and Procedures Booklet, be prepared to take two written exams on said policies and train for a minimum of five days with the Head Security Guard. In addition, prior to being put on the schedule for work, Salty Security Guards are required to provide proof of current liquor certification. See attached Exhibit 31, 32 and 33; Salty Security Guard Training Schedule, Security Exam and Salty Security Procedures.

b. Management

Members of the Salty Management team are put through rigorous training before they are permitted to work the floor and are also required to participate in ongoing training thereafter. Most importantly, the management staff is charged with the responsibility of hiring and training employees and making sure that each staff member is knowledgeable and well-versed in all of Salty's policies and procedures including, of course, those that pertain specifically to security, liquor sales and public safety. Exhibits 18 and 19. Indeed, no staff member may work a shift at Salty unless in possession of a current food handlers' card and current certification by Arizona Liquor Industry Consultants (A.L.I.C.) for alcohol service and awareness training. In addition, Salty Senorita also employs A.L.I.C. for random spot checks each and every month to ensure that Salty management and staff are abiding by Arizona liquor laws.

Management, however, does not go unchecked. Anthem Restaurant Management, Inc., the Manager of Salty Senorita Scottsdale, L.L.C. and John Casale, its President, are charged with the oversight of Salty management staff. Salty Management must abide by the Salty Management Operation Guidelines. See attached Exhibit 34. Mr. Casale and other Anthem corporate staff make certain that Management is following the Operation Guidelines by the use of a spot check system, and what is know as a red card system for evaluating all aspects of business operation. See attached Exhibits 35 and 36. There are weekly management meetings held with Anthem corporate. And, at the suggestion of Lieutenant Tom Henny of the Scottsdale Police Department, Salty Management will begin meeting on a monthly basis with the bike patrol police in an effort to stay abreast of any new or changing issues, which could affect operations.

Finally, as food is and will remain the primary focus of Salty Senorita,
Management must be current certified Food Managers with the State Health Department.

6. An Exterior Refuse Control Plan

Salty Senorita implements an aggressive refuse plan so as to maintain an aesthetically pleasant appearance to its guests and surrounding neighbors and to safeguard the integrity of its operation. Specifically, during business hours, Salty Senorita Management designates staff members to routinely walk the premises as well as the surrounding neighborhood to collect any trash, which may have been left behind by its patrons. After the close of business and before reopening the next day, the Salty Senorita cleaning and maintenance crew, likewise, scour the premises and neighboring property for additional trash. The Salty Senorita dumpsters are emptied daily with the exception of Sundays as the waste removal company does offer pick-up that day. And, Salty regularly services its grease traps (at the very least on a quarterly basis) so as to avoid any unpleasant smells emanating from the property. Again, Salty Senorita routinely checks in with its neighbors to ensure that these measures are taking place to their satisfaction.

7. Noise and Light Generated by the Use Shall be Mitigated

The noise and light generated by the use are minimal and, therefore, easily mitigated. The location of the business on the parcel and the restaurant set up are already designed to prevent noise and light from disturbing the public in any way.

a. Noise

As set forth in the Salty Old Town Noise Study submitted herewith, the building structure is situated at the southeastern most portion of the Lot on Scottsdale Road, a noisy, major artery. Commercial use buildings, including another high volume restaurant, sit immediately adjacent to the North and South of Salty Senorita. And, the buildings directly across from Salty Senorita on Scottsdale Road are, likewise, utilized solely for commercial purposes. Thus, noise generated by patrons dining in the restaurant or sitting on the patio are drowned out by the traffic flow occurring on busy Scottsdale Road.

In addition, the massive parking lot which sits to the West of the main building structure is insulated by large trees and bushes and also is surrounded on its remaining three sides by commercial use buildings. Furthermore, Bishop Lane, which runs north/south directly behind the large parking lot, is also lined with commercial buildings on both sides of the street. Thus, it is highly unlikely that, during Salty's busiest hours (after 5 p.m. nightly), any noise incidental to patrons walking to and from the business through the parking lot, would affect any of Salty's neighbors as the buildings are largely vacant during that time. Notwithstanding, on Thursdays through Saturdays, the busiest

days of the week for Salty Senorita and thereby the days which generate the most traffic, Salty Senorita contracts a valet company to park its patrons' cars. Thus, any noise generated by patrons walking to and from their cars is virtually eliminated, as patrons are able to drop off their cars right at Salty Senorita's front entrance and walk right into the restaurant.

b. Light.

All interior and exterior lighting remains unchanged from the previous tenants (Sizzler, Austin's Steakhouse, Whiskey Creek Steakhouse) and, no additional lighting schemes were implemented for the approved patio extension. Not one single aspect of the existing lighting is going to change with the approval of a Bar Use Permit nor is any new additional lighting contemplated or required.

At Salty Senorita, there is lighting to safely illuminate the parking lot, lights that are affixed to the building, exterior signage lighting and typical overhead interior lighting for illuminating the restaurant. Most of the lighting exists on the eastern side of the building where the patio and front entrance is located because, for obvious reasons, this is where the crux of the business takes place. In fact, it is only the eastern face of the building that provides any opportunity for light (or noise) to escape because all of Salty's windows and doors, with the exception of a service entrance on the west side of the building for staff and deliveries only, face to the east. Each and every window and door directly face Scottsdale Road. Thus, the light (and noise) are significantly muted by the light and noise generated by the continuous traffic on Scottsdale's main artery.

For good measure, however, as mentioned above, Salty Senorita currently visits quarterly its neighbors on all sides to assess and monitor its impact on the neighborhood and will continue to do to ensure that its noise and light levels are not disruptive in any manner whatsoever.

8. The Use Shall Meet Required Parking and Shall Not Exceed Capacity for Traffic in the Area.

The Bar Use Permit requires that Salty Senorita have 64 parking credits. Salty Senorita holds 67 parking credits as well as an additional bike rack credit and, therefore, meets the Required Parking.

Because all of the parking spots are located either within Salty's own parking lot (59 spots) or directly adjacent to Salty's property and because entrances and exits to the lot exist on both Scottsdale Road and Bishop Lane thereby significantly reducing any chance for traffic jams, the use will not exceed capacity for traffic in the area. Indeed, the traffic flow to and from Salty Senorita since opening in 2003 has been uninterrupted and uninhibited.

And, to Salty's good fortune, Salty has been extremely busy since opening it doors for business and continues to service a tremendous amount of patrons on a daily basis. In fact, at the risk of jinxing its own success, it is unlikely that on most days, Salty could even do more business. Since Salty strictly adheres to its occupancy limits, there are many occasions when additional patrons simply cannot be accommodated. Thus, the issuance of a Bar Use Permit for Salty should be of little significance as it is highly unlikely that it will draw additional patrons and, therefore, traffic should not increase nor negatively impact the area in any way.



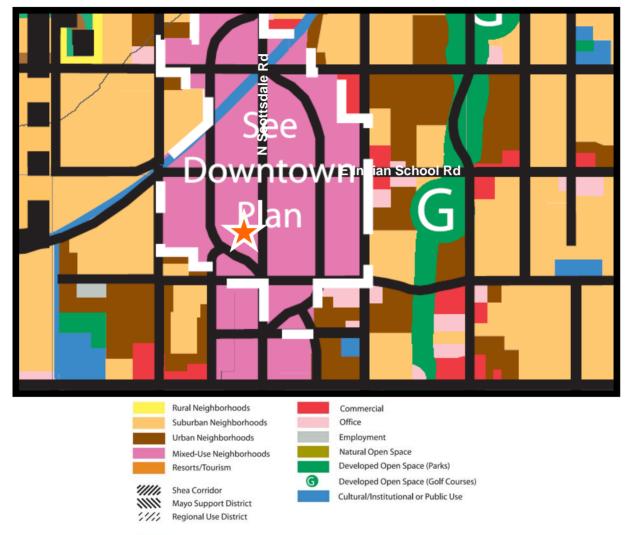
Salty Senorita

5-UP-2006



ATTACHMENT #2A

General Plan







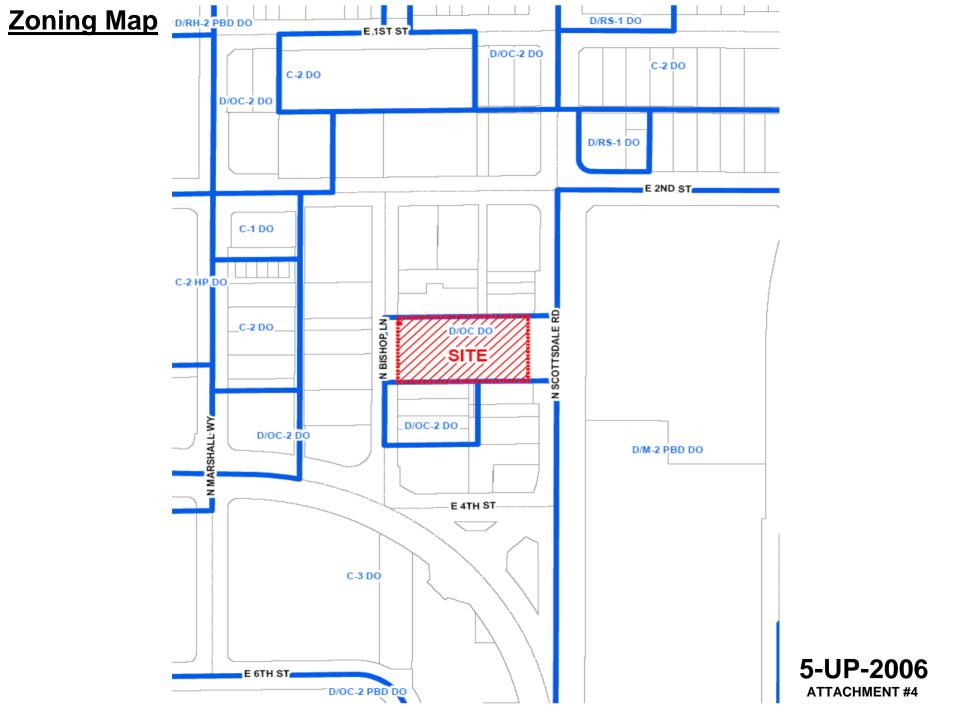
ATTACHMENT #3

City Boundary

McDowell Sonoran Preserve (as of 8/2003)



Location not yet determined



STIPULATIONS FOR CASE 5-UP-2006

PLANNING/ DEVELOPMENT

- 1. OPERATIONS. All operations on site shall comply with the following:
 - a. The Use Permit is restricted to the floor plan dated 2/17/06. Any change to this floor plan shall require an amendment to this Use Permit, or an entirely new Use Permit.
 - b. This use permit is approved for a "bar" use *only*, and no live entertainment is approved as part of this request, unless approved by a separate "Special Event Permit." Any future live entertainment request shall be subject to a separate Conditional Use Permit.
 - c. No noise generated from this use, including the outdoor patio and any speakers or other amplification equipment, shall exceed noise levels of ambient noise consistent to the use and character of the area during the corresponding hours of operation, as determined by City staff. Amplified music shall be limited to the times that state law allows liquor sales at this bar.
 - d. There shall be no amplified music during times that state law prohibits the sale of liquor at this bar.
 - e. The bar operator(s) / merchant(s) shall maintain and conform to a Public Security and Maintenance Plan approved by the Scottsdale Police Department, on record with the City of Scottsdale, and shall keep a copy on site. Each year, prior to the anniversary of this use permit approval, the bar operator(s)/merchant)s shall provide an update to the Public Security & Maintenance Plan to the Police Department and the Planning and Development Services Department. Such update shall state that the plan continues in effect as originally approved, or the update shall conform to the following: If there are any changes that modify the requirements or contents of the Public Security and Maintenance Plan, those changes shall be documented in a revised Public Security and Maintenance Plan, which shall be subject to approval by the Police Department and the Planning and Development Services Department.
 - f. The bar operator(s)/merchant(s) shall maintain and conform to a refuse and litter control plan approved by the Scottsdale Planning and Development Services Department, and any other applicable departments, and keep a copy on site. The bar operator(s)/merchant(s) shall remove and dispose of litter and debris daily, to the satisfaction of city staff.
 - g. Exterior lighting in the adjacent parking area to the north and west shall be kept at a level so as to provide adequate lighting for patrons while not unreasonably disturbing surrounding commercial areas, to the satisfaction of city staff.
 - h. The bar operator(s)/merchants shall maintain a valet parking program which shall utilize the southerly drive isle in the adjacent parking lot to park excess vehicles. This program shall, at a minimum, be utilized when the parking lot is full, and shall, at a minimum, provide parking in the drive isle for at least eight (8) vehicles.
 - i. The establishment shall have the full kitchen remain open until at least 11 PM; and shall continue to serve an appropriate amount of food items listed on the menu (as determined by City Staff) until closing.
 - j. No cover charge will be required for admission to the bar, unless approved by a separate "Special Event Permit."

- k. Age verification shall not be required for admission to the bar, unless approved by a separate "Special Event Permit."
- I. The applicant shall remain bound by all conditions of approval of the lease agreement with the City of Scottsdale regarding use of the public right of way adjacent to this property. This shall include maintaining all appropriate insurance requirements and stipulations. Failure to maintain this agreement in good standing shall be grounds for revocation of this Use Permit.
- m. The hours of operation for this establishment shall be 11 AM to 2 AM daily.
- 2. ADMINISTRATIVE/PROCESS. The bar operator(s)/merchant(s) shall comply with the following:
 - n. This Conditional Use Permit shall not become valid until such time as the applicant has demonstrated compliance with the valet program described above in condition (h) to the satisfaction of City Staff.
 - o. This Conditional Use Permit shall become null and void if the "bar" use is abandoned for more than one (1) year after beginning operation. If the use is abandoned beyond this one (1) year timeframe, a new Conditional Use Permit shall be required to operate a "bar" use at the subject property.
 - p. This Use Permit shall be reviewed at the end of two years by the Zoning Administrator for compliance with these stipulations.
 - q. Any change in operator/business owner at the subject location shall require an administrative review by the Zoning Administrator for compliance to these stipulations and the approved Security and Maintenance Plan. Any deviation from any conditions of approval or change in floor plan may be grounds for revocation of the Conditional Use Permit.

Salty Senorita 5-UP-2006

Attachment #6 Proposed Security and Maintenance Plan

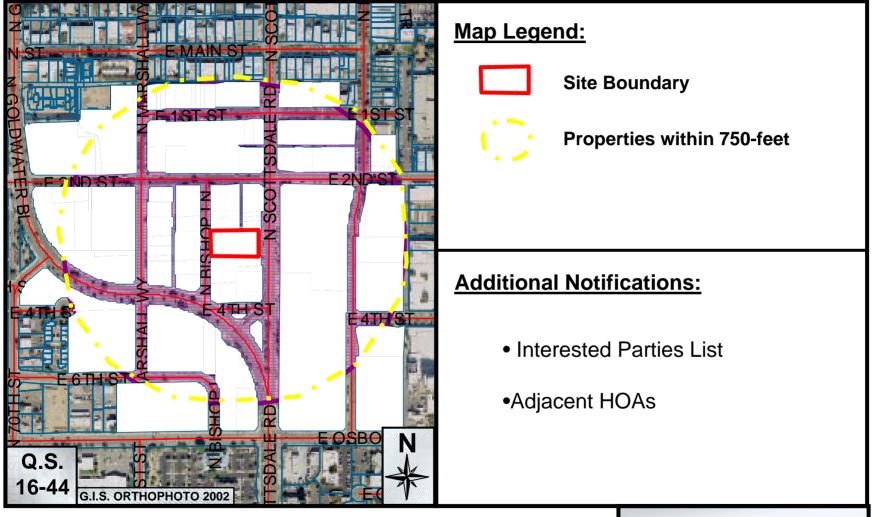
The above attachment is on file at the City of Scottsdale Current Planning office, 7447 E Indian School Road, Suite 105.

Salty Senorita 5-UP-2006

Attachment #7 Citizen Involvement

The above attachment is on file at the City of Scottsdale Current Planning office, 7447 E Indian School Road, Suite 105.

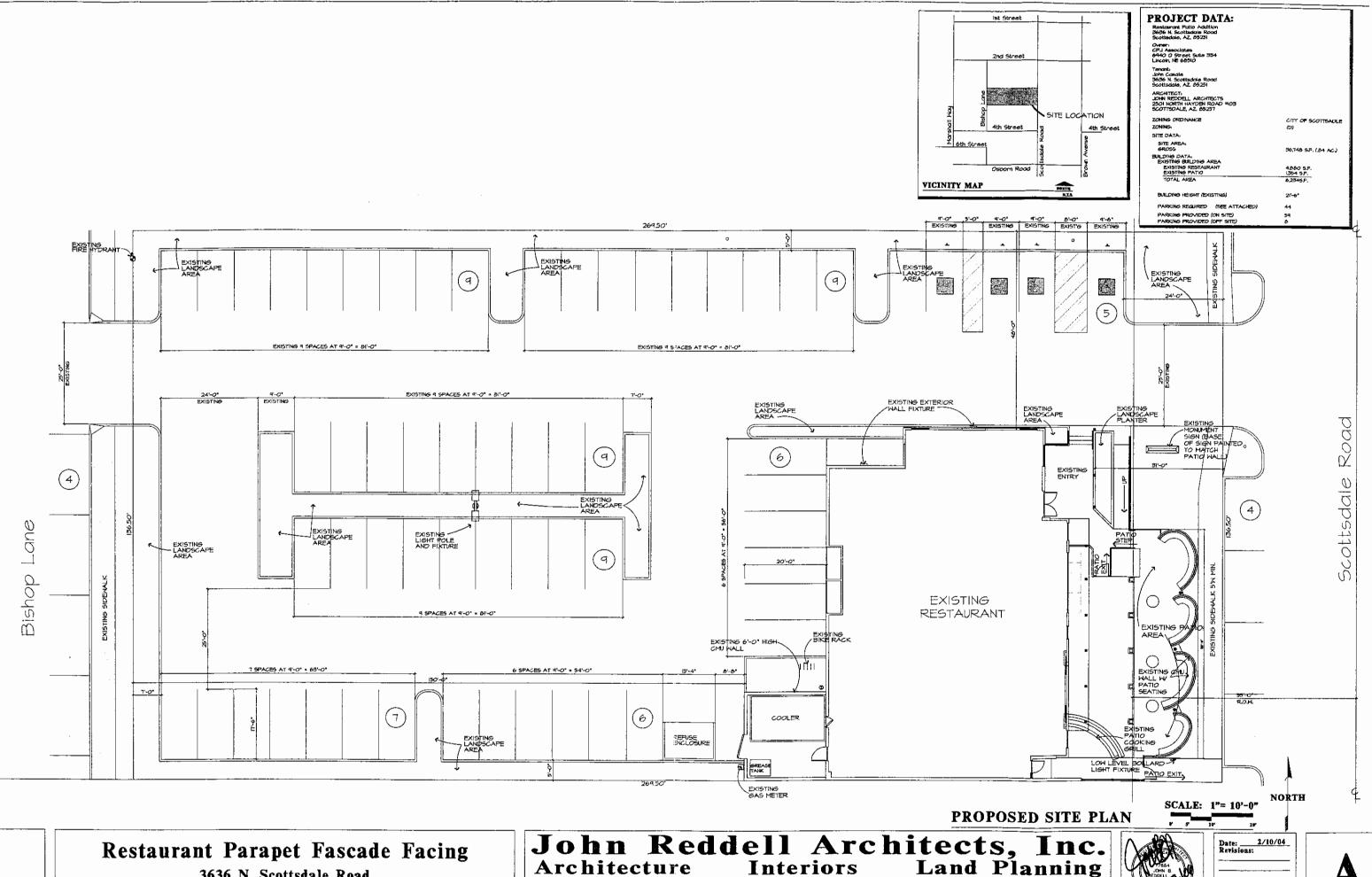
City Notifications – Mailing List Selection Map



Salty Senorita

5-UP-2006

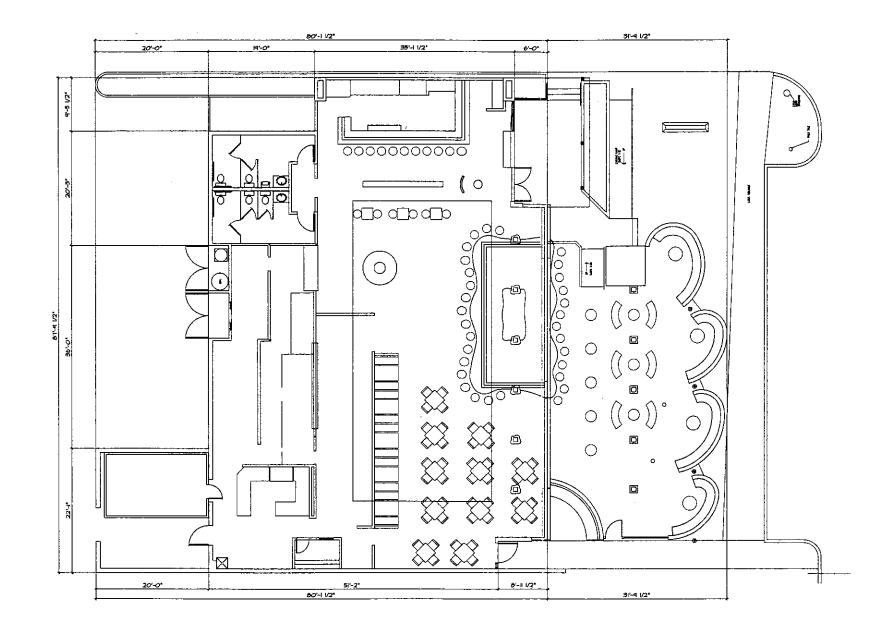
ATTACHMENT #8



3636 N. Scottsdale Road Scottsdale, AZ. ATTACHMENT #9 John Reddell Architects, Inc. Architecture Interiors Land Planning 2501 North Hayden Road, Scottsdale, Arizona 85257 Office: (480) 946-0242 Fax: (480) 946-0182 Email: reddellarchitects@eschelon.com



5-UP-2006



FLOOR PLAN

1/8"= 1'-0"

FLOOR AREA:

KITCHEN 1855 S.F.
BAR 486 S.F.
RESTROOMS 367 S.F.
PUBLIC 2150 S.F.

FIRST FLOOR TOTAL 4860 S.F.

ATTACHMENT #10

5-UP-2006 2-17-06

RESTAURANT PATIO ADDITION

3636 N. Scottsdale Road Scottsdale, AZ. John Reddell Architects, Inc. Architecture Interiors Land Planning 2501 North Hayden Road, Scottsdale, Arizona 85257 Office: (480) 946-0242 Fax: (480) 946-0182 Email: reddellarchitects@eschelon.com



Date: 2/10/04
Revisions:

